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PAGE 01 BERN 03655 01 OF 03 291457Z

53

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

XMB-02 AF-06 ARA-06 EA-07 NEA-10 OIC-02 /135 W

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R 291042Z AUG 75

FM AMEMBASSY BERN

TO SECSTATE WASHDC 1267

INFO USDEL MTN GENEVA

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EO 11652: N/A

TAGS: ETRD SZ

SUBJ: MULTILATERAL TRADE NEGOTIATIONS - COUNTRY PROFILES ON
SELECTED PARTICIPANTS - SWITZERLAND

REF: STATE 181868

1. SUMMARY: AS REQUESTED REFTTEL, WHAT FOLLOWS IS AMEMBASSY
BERN'S CONTRIBUTION TO ITEMS 2, 3, AND ANNEXES A AND B
OF THE PROPOSED PROFILE ON SWITZERLAND FOR USE IN THE MTRN'S.
IT IS KEYED TO PARAGRAPHS 2 AND 4 OF THAT TELEGRAM.

2. ITEM 2 - THE ECONOMIC AND POLITICAL BASIS FOR SWITZERLAND'S MTN
APPROACH

THE OUTLOOK OF THE AVERAGE SWISS, AND CERTAINLY OF THOSE
SWISS WHO ARE IN POSITIONS OF AUTHORITY AND INFLUENCE, IS
CONSERVATIVE. THE SWISS BELIEVE THEY ACHIEVED THEIR PRESENT
POSITION OF AFFLUENCE, COMFORT AND DOMESTIC STABILITY
THROUGH A COMBINATION OF THRIFT, REALISM, HARD WORK AND
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PAGE 02 BERN 03655 01 OF 03 291457Z

IMAGINATION. THE BASIC POLITICAL OBJECTIVE IS TO MAINTAIN

AND IF POSSIBLE IMPROVE THAT POSITION. THEY SEE NO REASON TO PUT ASIDE THE CHARACTERISTICS WHICH HAVE LED TO THEIR SUCCESS.

AMONG THESE IS THE DEGREE OF DIRECT DEMOCRACY IN SWITZERLAND. ANY MAJOR DECISION MUST BE ACCEPTABLE TO A LITERATE, HIGHLY INTELLIGENT AND LINGUISTICALLY HETEROGENEOUS POPULATION. IN ADDITION THE GOVT DOES NOT (AND IN FACT MAY NOT) INTERFERE IN THE ACTIONS OF INDIVIDUAL ECONOMIC DECISION MAKERS TO THE SAME EXTENT AS IN OTHER INDUSTRIALIZED COUNTRIES. THESE FACTORS, OPERATING ON AND INFLUENCING EACH OTHER, ARE WHAT HAVE PRODUCED MODERN SWITZERLAND. THEY ALSO, TOGETHER WITH A CAREFUL ASSESSMENT OF GEOGRAPHIC AND OTHER POLITICAL REALITIES, PRODUCED THE KEY SWISS DECISION ON WHICH SWISS RELATIONS WITH OTHER STATES ARE BASED; A POLICY OF ARMED NEUTRALITY.

THESE ARE THE BASIS POLITICAL REALITIES AS SWISS TEND TO SEE THEM. IN RECENT YEARS, HOWEVER, THERE HAS BEEN AN EVOLUTION IN TWO DIRECTIONS; TOWARDS MORE FEDERAL DOMESTIC CONTROLS OVER THE ECONOMY AND TOWARDS AN INTERPRETATION OF NEUTRALITY WHICH ALLOWS THE SWISS TO PARTICIPATE MORE DIRECTLY IN THE MULTILATERAL ECONOMIC INSTITUTIONS OF THE WEST. THIS EVOLUTION HAD AS ITS FUNDAMENTAL CAUSE THE REALIZATION THAT SWITZERLAND BY ITSELF COULD NOT CONTROL THE IMPACT OF OTHER ECONOMIES ON ITS OWN. FURTHERMORE, IT BECAME EVIDENT THAT WITHOUT MORE EFFECTIVE INTERNAL CENTRALLY-DIRECTED ECONOMIC POLICIES THE SWISS ECONOMY, IN A PERIOD OF WORLD-WIDE RECESSION, SUBJECT TO STRONG INFLATIONARY PRESSURES AND RAPID APPRECIATION OF THE CURRENCY, WAS INCAPABLE OF ACHIEVING THE GOAL OF MAINTAINING AND IMPROVING THE SWISS STANDARD OF LIVING.

THE EFFECTS OF THIS EVOLUTION HAVE BEEN FELT MOST DIRECTLY IN THE FINANCIAL AND MONETARY FIELDS. IN THE TRADE AREA THE RESULT HAS BEEN INCREASED COOPERATION WITH THE WESTERN DEMOCRACIES, FOR EXAMPLE, IN THEIR EFFORTS TO RESOLVE THE PROBLEMS OF ACCESS TO RAW MATERIALS.

THE SWISS OUTLOOK ON INTERNATIONAL POLITICAL ISSUES
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PAGE 03 BERN 03655 01 OF 03 291457Z

HAS NOT CHANGED. ARMED NEUTRALITY IS STILL THE BASIS OF SWISS POLICY. BUT SHORT OF A COMMITMENT TO PARTICIPATE ON ONE SIDE OR ANOTHER IN ARMED CONFLICT, THE SWISS ARE SO THOROUGHLY WESTERN-ORIENTED THAT THEY SEE THEIR FUTURE AS DEPENDENT ON THE WEST'S ABILITY TO SOLVE ITS PROBLEMS, AND THE MTN'S AS AN ESSENTIAL PART OF THAT PROCESS.

APART FROM THESE VERY IMPORTANT FACTORS FORMING THE

BASIS FOR SWISS VIEWS ON THE MTN'S, THERE ARE FEW ECONOMIES AS DEPENDENT ON TRADE AS THE SWISS. SWISS EXPORTS OF GOODS EQUALLED 26 PERCENT OF SWISS GNP IN 1974; EXPORTS TO THE INDUSTRIALIZED OECD COUNTRIES ACCOUNTED FOR 18 PERCENT OF SWISS GNP. SIXTY-NINE PERCENT OF ALL SWISS EXPORTS WENT TO THOSE COUNTRIES. SEVENTY-TWO PERCENT OF SWISS EXPORTS OF RAW MATERIALS AND SEMI-FINISHED PRODUCTS, 66. PERCENT OF SWISS EXPORTS OF CAPITAL GOODS AND 67 PERCENT OF CONSUMER GOODS WENT TO THE INDUSTRIALIZED OECD. FURTHER LIBERALIZATION OF TRADE IN INDUSTRIAL PRODUCTS WOULD BE A MAJOR SWISS OBJECTIVE FOR THESE REASONS ALONE.

IN CONTRAST, HOWEVER, SWITZERLAND IS ONE OF THE MOST RESTRICTIONIST COUNTRIES IN AGRICULTURAL TRADE. THE REALITIES ARE DIFFERENT. SWISS AGRICULTURE IS HIGH-COST, THE SWISS FARMERS UNION IS POLITICALLY POWERFUL AND ITS CLAIMS ARE SUPPORTED BY THE GOVT FOR REASONS OF NATIONAL SECURITY. THE OBJECTIVE IS STATED IN THE SWISS AGRICULTURAL ACT OF 1951: "TO MAINTAIN A VIABLE RURAL POPULATION AND A PRODUCTIVE AGRICULTURE, ABLE TO PROVIDE THE COUNTRY WITH AGRICULTURAL PRODUCTS..." THE RESULT IS A PLETHORA OF IMPORT CONTROLS, PRICE SUPPORTS AND PRODUCTION SUBSIDIES.

THE OTHER DIMENSION OF SWISS TRADE POLICY IS THE SWISS VIEW OF RELATIONS WITH THE LDC'S. THE SWISS OFFICIAL POSITION ON ASSISTANCE TO THE LDC'S IS BASED ON A COMBINATION OF HUMANITARIAN PRINCIPLES AND COMMERCIAL SELF-INTEREST. IN ADDITION TO FEELING A MORAL OBLIGATION TO HELP THE POOR, SWISS OFFICIALS ALSO RECOGNIZE THAT THE LDC'S, WHICH ALREADY TAKE NEARLY ALL SWISS EXPORTS THAT DO NOT GO TO THE INDUSTRIALIZED WEST, ABOUT 30 PERCENT, ARE A GREAT POTENTIAL MARKET FOR SWISS PRODUCTS. THIS ATTITUDE, HOWEVER, DOES NOT FIND MUCH SUPPORT AMONG THE LIMITED OFFICIAL USE

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PAGE 04 BERN 03655 01 OF 03 291457Z

GENERAL PUBLIC AND IT IS AN ANNUAL STRUGGLE TO GET APPROPRIATIONS FOR SWITZERLAND'S MODEST AID PROGRAM THROUGH THE PARLIAMENT. IN 1974, SWISS OFFICIAL DEVELOPMENT ASSISTANCE EQUALLED 0.14 PERCENT OF GNP, WHICH IS ONE OF THE LOWEST PERCENTAGES OF ANY DEVELOPED COUNTRY.

IN THE TRADE FIELD, THE SWISS IMPLEMENTED THE FIRST STAGE OF A SCHEME OF GENERALIZED TARIFF PREFERENCES ON MAR 1, 1972. IN APR 1974, THE SECOND STAGE WENT INTO FORCE AND IMPORTS OF MANY RAW MATERIALS AND MOST INDUSTRIAL PRODUCTS FROM THE LDC'S NOW ENTER SWITZERLAND DUTY FREE. SINCE MOST SWISS TARIFFS WERE RATHER LOW TO BEGIN WITH, THE PREFERENCES ARE NOT EXPECTED TO GENERATE MUCH IN THE WAY OF ADDITIONAL IMPORTS FROM THE LDC'S.

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PAGE 01 BERN 03655 02 OF 03 291510Z

53

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R 291042Z AUG 75

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TO SECSTATE WASHDC 1268

INFO USDEL MTN GENEVA

LIMITED OFFICIAL USE SECTION 2 OF 3 BERN 3655

GIVEN THEIR FREE MARKET OUTLOOK, THE SWISS DO NOT FAVOR COMMODITY AGREEMENTS, PRICE INDEXATION OF RAW MATERIAL EXPORTS, OR RESTRICTIONS ON FOREIGN INVESTMENT AS PROPOSED IN THE UN'S CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES. THE SWISS STRONGLY BELIEVE THAT ECONOMIC ISSUES SHOULD BE KEPT OUT OF POLITICALLY ORIENTED ORGANIZATIONS SUCH AS THE UN. THIS IS ONE REASON WHY THEY ACTIVELY SUPPORT THE GATT AND BELIEVE THE MTN IS THE PROPER FORUM FOR IMPROVING TRADE CONDITIONS FOR THE LDC'S.

SWISS OBJECTIVES IN THE MTNS REFLECT THESE VIEWS AND POLICIES. ON TRADE IN INDUSTRIAL PRODUCTS, THE INITIAL OBJECTIVE WAS ZERO TARIFFS. CONSISTENT WITH THE POLICY OF NEUTRALITY, AT LEAST AS IT APPLIES TO ECONOMIC RELATIONS BETWEEN SWITZERLAND AND THE WESTERN INDUSTRIALIZED COUNTRIES, THIS WAS THE LOGICAL EXTENSION OF THE FTA AGREEMENT WITH THE EC. MORE RECENTLY, HOWEVER, THE SWISS HAVE SAID THEY ARE WILLING TO ACCEPT THE LOWEST POSSIBLE LEVEL OF TARIFFS ON INDUSTRIAL PRODUCTS. THEY CLAIM THAT THE ONLY REASON THEY WISH TO RETAIN EVEN A MODEST LEVEL

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PAGE 02 BERN 03655 02 OF 03 291510Z

OF PROTECTION IS FOR BARGAINING LEVERAGE IN FUTURE
ROUNDS. THEY SAY THAT IT IS NOT TO MAINTAIN A LEVEL OF
PREFERENCE FOR THE EC, AND NOT FOR REVENUE.

ON THE QUESTION OF HOW TO NEGOTIATE, BY SECTORS OR
BY PRODUCTS, THE SWISS VIEW IS THAT EVENTUALLY NEGOTIATIONS
BY SECTOR MAY BE A GOOD IDEA, BUT NOT AT THE BEGINNING.
NEGOTIATION BY SECTORS WOULD GENERATE INTENSE PRESSURES
FROM SWISS INDUSTRY AGAINST MAKING CONCESSIONS, AND THE
LIST OF SECTORS SUGGESTED INCLUDES ALL THE SECTORS IN
WHICH THE SWISS FACE THE STRONGEST COMPETITION WORLD-WIDE.

THE SWISS ARE OPPOSED TO TREATING AGRICULTURAL PRODUCTS
IN THE SAME WAY AS INDUSTRIAL GOODS, CONTENDING THAT THE
ATTEMPT TO DO SO IS UNREALISTIC. ON THE OTHER HAND THEY
CLAIM THAT THEY ARE NOT AS RIGID AS THE EC. THEY DO WANT RULES,
APPLICABLE TO ALL, UNDER WHICH GRADUAL LIBERALIZATION WOULD TAKE PLAC
E.

THE SWISS SHARE U S VIEWS ON THE IMPORTANCE OF NTB'S, AT
LEAST AS THEY APPLY TO INDUSTRIAL GOODS, AND WANT TO SEE REAL
PROGRESS TOWARDS LIBERALIZATION IN THIS AREA. THEY PLAN TO TAKE
UP ALL NTB'S APPLIED TO THEIR PRODUCTS BY LDC'S WITH THE COUNTRY
CONCERNED DURING THE MTN'S. THEY EMPHASIZE SUBSIDIES, COUNTER-
VAILING DUTIES, GOVT PROCUREMENT, QR'S AND STANDARS, AS THE
MOST IMPORTANT NTB'S TO BE DEALT WITH IN NEGOTIATIONS WITH THE
DEVELOPED COUNTRIES.

THE SWISS WANT TO SEE CHANGES IN GATT RULES TO FAVOR LDC'S.
THEY ARE WILLING TO CONSIDER OTHER CHANGES, EVEN IF THEY APPLY ONLY
TO THE INDUSTRIALIZED COUNTRIES, FOR EXAMPLE ON SAFEGUARDS.

THE SWISS SEEK TO ACHIEVE, IN THE MTRN'S, THE HIGHEST DEGREE OF
LIBERALIZATION POSSIBLE. EVEN IN THE MOST SENSITIVE AREA, AGRICULTURE

,
THE OBJECTIVE IS THE SAME. THIS IS CONSISTENT WITH THEIR VIEW OF
NATIONAL AND INTERNATIONAL POLITICAL AND ECONOMIC REALITIES AS
THEY EFFECT THE INTERESTS OF SWITZERLAND.

3. ITEM 3 - GENERAL TARIFF POLICY

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PAGE 03 BERN 03655 02 OF 03 291510Z

A. TARIFF POLICY

SWISS TARIFFS ON INDUSTRIAL PRODUCTS ARE TOO LOW TO HAVE MUCH PROTECTIVE EFFECT. THE MOST RECENT AVAILABLE AVERAGE IS 4.4 PERCENT A.V.E. FOR DUTIABLE GOODS. SINCE SWISS DUTIES ARE SPECIFIC AND BASED ON WEIGHT, INFLATION IS REDUCING THEIR IMPACT EVEN FURTHER AS THE COST PER UNIT OF MEASURE INCREASES. WHILE THE SWISS GOVT HAS RECENTLY BEEN SUBJECTED TO CONSIDERABLE PROTECTIONIST PRESSURES, UP TO NOW IT HAS TAKEN THE POSITION THAT A COUNTRY AS DEPENDENT AS SWITZERLAND IS ON FOREIGN TRADE CANNOT AFFORD TO SUBSIDIZE NON-COMPETITIVE INDUSTRIES THROUGH THE USE OF TARIFF OR OF OTHER POLICIES.

WITH REGARD TO THE USE OF TARIFFS TO PRODUCE REVENUE OR FOR OTHER PURPOSES, THERE ARE SUPPLEMENTAL TARIFFS ON TOBACCO AND PETROLEUM PRODUCTS WHICH WERE INTENDED TO PRODUCE REVENUE AND DECREASE CONSUMPTION. IN 1972 REGULAR DUTIES, EXCLUSIVE OF THESE, PRODUCED 13 PERCENT OF TOTAL CENTRAL GOVT REVENUE; BY 1974, THE PERCENTAGE HAD DROPPED TO 9 PERCENT. WE HAVE BEEN TOLD THAT REVENUE IS NOT A FACTOR IN SWISS DECISION-MAKING ON TARIFF POLICY AT PRESENT. AS FOR THE PREFERENTIAL MARGINS GRANTED THE EC AND LESS-DEVELOPED COUNTRIES, THE SWISS HAVE SAID, WITH REGARD TO GENERALIZED PREFERENCES FOR EXAMPLE, AND HAVE TOLD US THAT THIS APPLIES TO THE EC AS WELL, THAT THE GRANTING OF THESE PREFERENCES WILL IN NO WAY INHIBIT THEM FROM REDUCING OR ELIMINATING TARIFFS ON GOODS FROM OTHER COUNTRIES.

B. NON-TARIFF BARRIERS

THERE ARE A FEW NTB'S ON INDUSTRIAL GOODS NOTIFIED TO THE GATT. THE SWISS CLAIM NONE OF THESE ARE USED FOR PROTECTION OF INDUSTRY.

THE SWISS DO USE A VARIETY OF NTB'S, (QR'S, IMPORT CHARGES, STATE TRADING, AND IMPORT CALENDARS) TO PROTECT THE AGRICULTURAL SECTOR.

C. REGIONAL AND BILATERAL DIMENSIONS OF TRADE POLICY

THE KEY REGIONAL FACTOR IN SWISS TRADE IS THE EC. THERE ARE LIMITED OFFICIAL USE

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PAGE 04 BERN 03655 02 OF 03 291510Z

POLITICAL AND ECONOMIC FACTORS INVOLVED. THE SWISS WERE MOVED BY THEIR POLITICALLY CONSERVATIVE AND DEMOCRATIC AND DEMOCRATIC OUTLOOK, AS WELL AS ECONOMIC INTERESTS, TO INTERPRET THEIR NEUTRALITY IN SUCH A WAY AS TO ALLOW THE TYPE OF ARRANGEMENT THEY HAVE WITH THE EC. FORTY-FOUR PERCENT OF THEIR EXPORTS GO TO THE EC. GERMANY, WHICH TAKES 14 PERCENT OF THESE EXPORTS, IS ALSO SWITZERLAND'S MAJOR INTERNATIONAL COMPETITION AND ACCOUNTS FOR 29 PERCENT OF SWISS IMPORTS. WITH THE UNITED STATES, GERMANY IS THE MAJOR BILATERAL FACTOR IN THE SWISS TRADE EQUATION. THIS EXPLAINS

CONTINUING SWISS CONCERN ABOUT THE SWISS FRANC/DM EXCHANGE RATE,
AS WELL AS, IN PART, THE RELUCTANCE OF SWISS BANKERS AND OTHERS
TO JOIN THE EC SNAKE - AT LEAST AT THE PRESENT RATE OF EXCHANGE.

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PAGE 01 BERN 03655 03 OF 03 291525Z

53

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TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

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R 291042Z AUG 75

FM AMEMBASSY BERN

TO SECSTATE WASHDC 1269

INFO USDEL MTN GENEVA

LIMITED OFFICIAL USE SECTION 3 OF 3 BERN 3655

SWITZERLAND CONSIDERS ITS RELATIONS WITH THE UNITED STATES,
POLITICAL AND ECONOMIC, TO BE TOF THE FIRST ORDER OF IMPORTANCE.
SWITZERLAND IS FEARFUL OF COMMUNIST AND RADICAL INFLUENCE AND
PRESSURES IN THE WORLD AND IN PARTICULAR IN WESTERN EUROPE. THE
UNITED STATES IS BELIEVED TO BE THE ONLY POWER FULLY CAPABLE OF
BLOCKING THE EXPANSION OF THAT INFLUENCE. SWISS POLICY IS BASED ON
THAT ASSUMPTION, AND ON THE FACT THAT THE TWO COUNTRIES HOLD SO
MANY IDEALS IN COMMON. APART FROM MUTUAL POLITICAL INTERESTS,
SWITZERLAND HAS VERY CLOSE FINANCIAL, TRADE AND BUSINESS RELATIONS
WITH THE UNITED STATES, AND LOOKS TO U S ECONOMIC LEADERSHIP OF THE
NON-COMMUNIST COUNTRIES TO FURTHER THE INTERESTS OF BOTH NATIONS.
THE SWISS REGARD U S AND SWISS POLITICAL AND ECONOMIC INTERESTS IN
THE MTN'S AS COMPLEMENTARY.

D. MONETARY POLICY

THE SWISS DO NOT USE MONETARY MEASURES FOR BALANCE OF TRADE

REASONS OR AS A SUBSTITUTE FOR SPECIFIC TRADE POLICY MEASURES.
THEY DO USE THEM TO INFLUENCE THE CAPITAL ACCOUNT. THE EFFECT
ON TRADE IS, HOWEVER, INDICENTAL.
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PAGE 02 BERN 03655 03 OF 03 291525Z

E. OTHER MAJOR POLICY INSTRUMENTS

THE SWISS DO NOT USE OTHER MAJOR POLICY INSTRUMENTS FOR
TRADE REASONS.

4. ANNEXES A AND B

THE SWISS TRADE POLICY DECISION-MAKING PROCESS - KEY INDIVIDUALS
AND AGENCIES

WE HAVE COMBINED ANNEXES A AND B. THE SWISS DECIDED, BECAUSE
THEIR BUREAUCRACY IS SMALL AND CLOSELY-KNIT AND BECAUSE GENEVA
IS SO CLOSE TO BERN, THAT THEIR DELEGATION TO THE MTN'S WOULD BE
RESIDENT IN BERN. MANY OF THOSE IDENTIFIED BELOW AS PARTICIPATING
IN THE DECISION-MAKING PROCESS WILL ALSO BE A PART OF THE NEGOT-
IATING TEAM. THE CURRENT COMPOSITION OF THAT TEAM WILL FOLLOW BY
SEPTEL.

THE DECISION-MAKING PROCESS IN SWITZERLAND, IN TRADE POLICY AS
IN OTHER FIELDS, IS BY CONSENSUS. THE KEY AGENCY INVOLVED IN
DEVELOPING THAT CONSENSUS IS THE DEPARTMENT OF PUBLIC ECONOMY;
MORE SPECIFICALLY ITS DIVISION OF COMMERCE, HEADED BY THE DIRECTOR,
AMBASSADOR PAUL JOLLES. ABOVE HIM AT THE POLITICAL LEVEL IS ERNST
BRUGGER, DIRECTLY RESPONSIBLE AS A MEMBER OF THE FEDERAL COUNCIL,
THE HIGHESE EXECUTIVE AUTHORITY IN SWITZERLAND, FOR THIS DEPARTMENT.
A SECOND FEDERAL COUNCILLOR, PIERRE GRABER, WHO IS CHARGED WITH
OVERSEEING THE POLITICAL DEPARTMENT (AND SWITZERLAND'S FOREIGN
RELATIONS) ASSISTS BRUGGER.

UNDER JOLLES THERE ARE FOUR OFFICIALS, AMBASSADORS PIERRE
LANGUETIN, KLAUS JACOBI, FRITZ ROTHENBUHLER, AND RAYMOND PROBST,
WHO PLAY A MAJOR ROLE WITHIN THE DEPARTMENT. ALL FOUR ARE DESIGNATED
DELEGATES FOR TRADE. EACH HAS HIS FIELD OF RESPONSIBILITY, MULTI-
LATERAL AND BILATERAL; FOR EXAMPLE, LANGUETIN FOR THE OECD,
JACOBI FOR THE U S AND THE LDGS, PROBST FOR THE GATT AND
ROTHENBUHLER FOR, IN EFFECT, THE DOMESTIC ECONOMY AND THE IMPACT
UPON IT OF ACTIONS TAKEN BY SWITZERLAND INTERNATIONALLY.

BELOW THIS LEVEL LEADERSHIP IS IN THE HANDS OF ARTHUR DUNKEL,
PERMANENT REPRESENTATIVE FOR GATT NEGOTIATIONS, RESIDENT IN BER.
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PAGE 03 BERN 03655 03 OF 03 291525Z

HE COORDINATES AND OVERSEES THE MTN-RELATED ACTIVITIES OF A NUMBER OF DIVISION OF COMMERCE OFFICIALS, INCLUDING FOR EXAMPLE, MINISTER EMILIO MOSER OF THE DIRECTORATE FOR INVESTMENT GUARANTEES AND ALSO OF THE DIRECTORATE FOR TRADE EXPANSION; DR. HERMAN HOFER, DIRECTORATE OF INVESTMENT GUARANTEES, AND A NUMBER OF SPECIALISTS ON INDIVIDUAL COUNTRIES AS REQUIRED. ALSO INVOLVED, WITHIN THE DIVISION OF COMMERCE, IS THE OFFICE OF INTEGRATION BETWEEN THE FEDERAL POLITICAL DEPARTMENT AND THE DEPARTMENT OF PUBLIC ECONOMY (FRANZ BLANKART), THE DIRECTORATE FOR GENERAL FOREIGN ECONOMIC POLICY (HEADED BY LANGUETIN), FOR ECONOMIC DEVELOPMENT (HEADED BY PROBST), FOR INTERNATIONAL INDUSTRIAL ISSUES (ROBERT MADORY), AND THE EXPORT AND IMPORT SERVICE WITH ITS SPECIALISTS ON VARIOUS PRODUCTS.

OUTSIDE THE DIVISION OF COMMERCE, BUT WITHIN THE DEPARTMENT OF PUBLIC ECONOMY IS THE DIVISION OF AGRICULTURE, HEADED BY JEAN CLAUDE PIOT, WHICH HAS A VERY IMPORTANT ROLE IN THE PROCESS.

OTHER GOVT AGENCIES PARTICIPATING IN THE DECISION-MAKING PROCESS ARE THE POLITICAL AND FINANCE DEPARTMENTS. THE POLITICAL DEPARMTNET IS HEADED BY FEDERAL COUNCILOR PIERRE GRABER, ASSISTED BY FEDERAL COUNCILOR GEORGES ANDRE CHEVALLAZ, WHOSE DIRECT CHARGE IS THE FINANCE DEPARTMENT. AT THE WORKING LEVEL THE KEY OFFICIAL IS JEAN ZWAHLEN, CHIEF OF THE ECONOMIC AND FINANCIAL SERVICE, ASSISTED BY ERNST THURNHEER. IN THE FINANCE DEPARTMENT THE KEY OFFICIAL BELOW THE POLITICAL LEVEL IS BRUNO MULLER, DIRECTOR, MONETARY AND ECONOMIC SERVICE, ASSISTED BY ADOLF PETER AND DANIEL KAESER. THUS FAR THE FINANCE DEPARTMENT HAS PLAYED A MINOR ROLE; THE POLITICAL DEPARTMENT HAS HAD THE MOST INFLUENCE, PARTLY BECAUSE SEVERAL OF THE KEY PEOPLE IN THE DIVISION OF COMMERCE COME FROM AND WILL PROBABLY RETURN TO THE POLITICAL DEPARTMENT.

OUTSIDE THE SWISS GOVT THE MOST IMPORTANT PARTICIPANTS IN THE DECISION-MAKING PROCESS ARE THE SWISS UNION OF COMMERCE AND INDUSTRY OR VORORT, THE SWISS FARMERS UNION AND THE MEMBERSHIP OF THE CONSULTATIVE COMMITTEE ON COMMERCIAL POLICY.

AFTER EACH ROUND OF NEGOTIATIONS MINISTER DUNKEL REPORTS TO ALL THESE GROUPS AND INDIVIDUALS. HE CONSULTS THEM IN PREPARATION FOR EACH ROUND. HE MAY DO THIS PRIOR TO OR IN THE PROCESS OF FORMULATING A GOVT POSITION. ONCE PREPARED, THIS PROPOSED POSITION IS LIMITED OFFICIAL USE

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PAGE 04 BERN 03655 03 OF 03 291525Z

FORMALLY PUT BEFORE THE CONSULTATIVE COMMITTEE ON COMMERCIAL POLICY. THE MEMBERS OF THIS COMMITTEE INCLUDE THE MOST IMPORTANT UNIONS AND ASSOCIATIONS REPRESENTING THE PRIVATE ECONOMY, AS WELL AS A NUMBER OF GOVT OFFICIALS. THE COMMITTEE IS HEADED BY AMBASSADOR JOLLES AND THE SECRETARIAT IS IN THE DIVISION OF COMMERCE. ASKED,

ON ONE OCCASION, WHAT WOULD HAPPEN IF THE COMMITTEE REFUSED TO AGREE TO A GOVT PROPOSAL, MINISTER DUNKEL SAID THAT IN THAT CASE THE GOVT WOULD HAVE TO SEEK ANOTHER SOLUTION. IT WAS CLEAR THAT THIS RARELY IF EVER OCCURS. A CONSENSUS IS CREATED IN ADVANCE. THE COMMITTEE EXISTS PRIMARILY, IT WOULD APPEAR, TO ASSURE THAT THOSE ORGANIZATIONS MOST DIRECTLY AFFECTED BY A DECISION, AND THROUGH THEM THEIR MEMBERS, ARE FULLY CONSULTED.

THE RELATIVE INFLUENCE OF THESE GROUPS AND AGENCIES DEPENDS ON THE ISSUE ON WHICH A DECISION IS TO BE MADE. ALL HAVE A ROLE IN MAKING OVERALL POLICY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTELLIGENCE COLLECTION, TRADE AGREEMENTS, PUBLIC ATTITUDES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BERN03655
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750299-1253
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975082/aaaaabor.tel
Line Count: 505
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 181868
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 19 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUN 2003 by CunninFX>; APPROVED <07 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MULTILATERAL TRADE NEGOTIATIONS - COUNTRY PROFILES ON SELECTED PARTICIPANTS - SWITZERLAND
TAGS: ETRD, SZ
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006